

STANDARD & POOR'S

Press Release

S&P 500 4th Quarter Buybacks Remain Strong at \$105 billion

Up 158% Since Buyback Mania Started in Q4 2004

New York, March 15, 2007 – Standard & Poor's, the world's leading index provider, announced today that S&P 500 stock buyback activity continued strong during the fourth quarter of 2006, remaining above the \$100 billion level for the fifth quarter in a row. Estimated fourth quarter 2006 buybacks are at \$105 billion, slightly up from the \$104 billion registered during the fourth quarter of 2005. For all of 2006, buybacks are estimated to grow to \$432 billion, a 23.7% gain over the \$349 billion reported in 2005, and a 119% gain over the \$197 billion reported in 2004.

“While the fourth quarter was basically flat, the unprecedented continuation of the \$100 billion plus buyback level speaks for itself. The enormous expenditure of \$432 billion for all of 2006 represents 59% of As Reported earnings, and \$14 billion more than the entire U.S. Medicare system,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor's. “The buyback bonanza is continuing, with companies now looking to support their stock during the current market volatility, as well as protect the value of their own built up treasury shares. However, the impact of share count reduction on earnings-per-share was lower during the fourth quarter as more companies used the extra shares on hand for M&A activity and stock options.”

According to Standard & Poor's, buyback activity within the S&P 500 began to substantially pick up during the fourth quarter of 2004, and has continued to grow in both the size and number of participating companies. Over the past nine quarters, S&P 500 issues have spent over \$847 billion on buybacks with 56% of the issues posting fewer shares now than they did when the buyback trend started.

Standard & Poor's data shows that on a sector basis, Information Technology remains the largest user of share buybacks, accounting for 23.2% of the total buybacks during the fourth quarter. Energy also remained active, accounting for over 13% of the buybacks. On an issue level basis, Standard & Poor's noted that while companies remained active, a few high profile issues reduced their fourth quarter year-over-year buybacks. Chief among them were Citigroup, Intel, General Electric, Microsoft and Procter & Gamble. Combined, these five issues reduced their fourth quarter buyback expenditures from \$23.5 billion in Q4 2005 to \$11.4 billion in Q4 2006. Conversely, significant increases in buybacks were reported by Exxon Mobile (which has now reduced its shares outstanding for 26 consecutive quarters in a row), Cisco, Merrill Lynch, Pfizer and Time Warner. Combined, these five issues spent \$9.7 billion on buybacks in Q4 2005 compared to \$20.7 billion in Q4 2006.

“For the remainder of the 2007, Standard & Poor's expects the strong buyback activity within the S&P 500 to continue,” concludes Silverblatt. “The activity is being fueled by a desire of companies to support their stock during the increasing market volatility period, as well as the need to boost their earnings per share. We do not, however, expect companies to increase their buyback activity during any strong or rapid market downturn. While companies may still be awash with cash, fighting the market, in that type of an environment, would quickly drain them of their cash reserves.”

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S&P 500	MARKET VALUE \$ BILLION	AS REPORTED EARNINGS \$ BILLION	DIVIDENDS \$ BILLION	BUYBACKS \$ BILLION	12-MONTH DIVIDEND & BUYBACK YIELD
12/31/2006 Prelim.	\$12,729	\$182.19	\$61.76	\$105.18	5.15%
09/30/2006	\$12,020	\$193.19	\$54.78	\$109.81	5.39%
06/30/2006	\$11,497	\$182.02	\$54.46	\$116.66	5.34%
03/31/2006	\$11,660	\$177.30	\$53.25	\$100.18	4.92%
12/31/2005	\$11,255	\$155.89	\$54.83	\$104.28	4.90%
09/30/2005	\$11,083	\$160.72	\$48.99	\$81.47	4.58%
06/30/2005	\$10,890	\$167.19	\$49.03	\$81.42	4.31%
03/31/2005	\$10,820	\$154.43	\$48.99	\$82.05	3.92%
12/31/2004	\$11,289	\$129.85	\$49.68	\$66.42	3.35%
09/30/2004	\$10,398	\$132.28	\$45.54	\$45.68	3.34%
06/30/2004	\$10,623	\$142.01	\$43.43	\$42.46	3.11%
03/31/2004	\$10,461	\$141.01	\$42.36	\$42.92	2.97%
12/31/2003	\$10,286	\$121.74	\$46.76	\$38.53	2.84%
09/30/2003	\$9,208	\$116.12	\$39.96	\$34.13	3.00%
06/30/2003	\$9,001	\$102.53	\$37.74	\$28.36	3.04%
03/31/2003	\$7,827	\$109.99	\$36.19	\$30.03	3.53%
12/31/2002	\$8,107	\$27.64	\$39.22	\$30.62	3.39%
09/30/2002	\$7,518	\$78.66	\$35.97	\$35.18	3.65%
06/30/2002	\$9,091	\$63.09	\$38.11	\$30.98	3.03%
03/31/2002	\$10,502	\$84.11	\$34.51	\$30.47	2.61%
12/31/2001	\$10,463	\$49.67	\$36.27	\$32.75	2.62%
09/30/2001	\$9,437	\$47.41	\$37.53	\$34.63	2.91%
06/30/2001	\$11,027	\$43.50	\$34.58	\$33.62	2.44%
03/31/2001	\$10,385	\$82.16	\$33.83	\$31.21	2.63%

About Standard & Poor's Index Services

Standard & Poor's Index Services, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Its family of indices includes the S&P 500, an index with \$1.26 trillion invested and \$4.45 trillion benchmarked, and the S&P Global 1200, a composite index comprised of seven regional and country headline indices. For more information, please visit www.standardandpoors.com/indices.

About Standard & Poor's

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 21 countries. Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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